

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-02 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /086 W

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R 012053Z APR 75

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC 7752

INFO AMEMBASSY GUATEMALA

C O N F I D E N T I A L SAN SALVADOR 1243

E.O. 11652 - GDS

TAGS: ETRD, ELTN, EINV, ES

SUBJ: COUNTRY ELIGIBILITY FOR GSP UNDER 1974 TRADE ACT- IRCA

REF: A) SAN SALVADOR 0988; B) STATE 066542; C) STATE 068676

1. THE AMBASSADOR AND DCM CALLED ON FOREIGN MINISTER BORGONOVO APRIL 1 TO INFORM HIM CONCERNING EL SALVADOR'S INCLUSION ON THE US GSP ELIGIBILITY LIST AND THE DETERMINATION MADE BY THE PRESIDENT CONCERNING THE STATUS OF IRCA (INTER ALIA, REFTEL B AND C). THE AMBASSADOR MADE THE POINT THAT AS LONG AS THE USG REMAINED CONVINCED THAT LEGAL RECOURSE EXISTED FOR IRCA IN EL SALVADOR IT WOULD HAVE A BASIS TO DETERMINE AN EXEMPTION OF EL SALVADOR FROM GSP EXCLUSION. ALSO, THAT IT IS RECOGNIZED IRCA HAD NOT YET AVAILED ITSELF OF THE LEGAL RECOURSES EXTANT. BORGONOVO EVIDENCED UNDERSTANDING OF THE GSP DETERMINATION BUT MADE NO SPECIFIC COMMENT CONCERNING THE DETERMINATION.

2. AS A PARENTHETICAL ASIDE, MINISTER BORGONOVO REFERRED TO HIS AND AMBASSADOR BETRAND GALINDO'S (REFTEL A AND PREVIOUS) DISCUSSIONS WITH THE HIGHEST GOES LEGAL AUTHORITIES (SUPREME COURT CHIEF DR. ARIAS AND EX-JUSTICE MINISTER AND PRESENTLY MIN-
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ISTER OF THE PRESIDENCY DR. SILVAND JUSTICE MINISTER HERCULES

PINEDA) CONCERNING IRCA'S LEGAL REMEDIES AND TO A SUBSEQUENT CON-
VERSATION WITH IRCA'S LOCAL ATTORNEY DR TRIGUEROS IN WHICH HE
ASSURED HIM OF AVAILABLE RECOURSES. BORGONOVO SAID TRIGUEROS'
REACTION WAS ONE OF, "TO WHAT PURPOSE? WHAT CAN WE GET? GIVING
THE IMPRESSION THAT HE, TRIGUEROS, IS RELUCTANT TO SUE IN COURT
BECAUSE HE DOES NOT THINK HE HAS A GOOD CASE. BORGONOVO THEN
SPECULATED THAT WERE IRCA TO SUE FOR INDEMINIZATION, HOW COULD
IT CLAIM LOST PROFITS WHEN THE GOES PRESENTLY IS BUDGETING
EIGHT MILLION COLONES (\$3.2 MILLION) FOR SEVERANCE PAYMENTS
FOR REDUNDANT EMPLOYMENT IRCA MAINTAINED? AND THE GOES PUR-
CHASED THE 16 LOCOMOTIVES FROM GENERAL MOTORS, A DEBT IRCA
WAS NOT MEETING. BORGONOVO FELT TRIGUEROS DID NOT FEAR
JUDICIAL BIAS SO MUCH AS LOSING A LEGAL ACTION FOR REASON
OF LACKING A GOOD CASE AND THAT HE WOULD THEREFORE PREFER A
SETTLEMENT OUT OF COURT WHERE THE ISSUE WOULD NOT BE DETERMINED
SO MUCH ON MERITS AS, PERHAPS, PRAGMATIC POLITICAL MOTIVE.

3. ALTHOUGH DR. TRIGUEROS HAS BEEN IN CONTACT WITH THE EMBASSY
SUBSEQUENT TO MARCH 10 (REFTEL A), HE HAS NOT INFORMED US CON-
CERNING HIS ACTIONS REGARDING IRCA.
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